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## STAFF NOTES:

# Latin American Trends

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LATIN AMERICAN TRENDS

25X1

CONTENTS  
January 22, 1975

25X1

Colombia: Moving, with a Pause, toward Cuba . . . . .	4
Cuba's Improved Economic Situation	6
Cuba Renews Interest in Western Tourism . . . . .	8
Argentina: President Peron Takes a Rest . . . . .	11
Argentina: Political Turmoil in the Provinces . . . . .	14
Trinidad and Tobago: Prime Minister Back on the Road . . . . .	17
Agrarian Reform in Honduras - At Least on Paper . . . . .	18

25X1

Approved For Release 2004/08/25 : CIA-RDP79T00865A000200140001-5

Next 2 Page(s) In Document Exempt

Approved For Release 2004/08/25 : CIA-RDP79T00865A000200140001-5

SECRET

25X1

Colombia: Moving, with a Pause, toward Cuba

President Lopez may be obliged to pause in his slow, but steady, approach toward resuming diplomatic relations with Cuba. The Advisory Commission on Foreign Relations--a joint executive-legislative body which Lopez does not consider too important--recommended against renewed ties with Cuba last week.

Surprisingly widespread press coverage of the commission's deliberations and final recommendation, and a correspondingly large interest on the parts of deputies, senators, and leaders of Lopez' Liberal Party, may force the President to take the group's advice, at least temporarily.

25X1

Any hesitation in the approach toward Havana is likely to prove temporary. Lopez is committed to what he calls "pluralism" in conducting his country's foreign relations, and he also believes in a strong, all-inclusive Organization of American States. He has condemned Cuba's isolation within the hemisphere, and was openly disappointed when the OAS failed to act on the Cuba question in November. He has entertained various schemes by which Colombia and other Caribbean nations would upgrade their relations with Cuba in concert, hoping that the remaining OAS members would follow suit, but that avenue has proved politically unfeasible.

January 22, 1975

SECRET

SECRET

The momentum of Lopez' approach toward Cuba is very unlikely to be destroyed by the sudden appearance of well-placed nay-sayers. Although he would much prefer multilateral action, he would willingly act alone if all other possibilities appeared exhausted. In addition, some of Lopez' current problems with Marxists at home--in the areas of labor, students and insurgency--may incline him to view "normalizing" Cuban relations as a useful gesture to the domestic left.

25X1

January 22, 1975

SECRET

SECRET

25X1

Cuba's Improved Economic Situation

A recent interview given by Cuban President Osvaldo Dorticos for Yugoslav television reflected Havana's satisfaction with the present Cuban economic situation.

Dorticos said that from 1970 to 1974 Cuba's GNP grew at an annual rate of 13 percent. He also claimed that the value of exports increased last year by 70 percent over 1973 and made possible a more favorable Cuban balance of trade.

As evidence of the increase in GNP over the last four years, Dorticos listed several factors:

- Electric power output increased by 7 percent.
- Output of the construction industry doubled in value.
- Output of the industrial sector grew at an accumulated annual rate of 10 percent.

Dorticos' analysis should be viewed with caution. By using 1970 as a baseline year, he selected a period when the non-sugar economy was at its nadir because of the attempted 10-million-ton sugar harvest and the resulting economic dislocations. Nevertheless, the Cuban economy appears to be on the soundest footing since Castro took power.

The sugar boom is the major cause of Cuba's improved economic situation. Average world sugar prices tripled in 1974 and production increased from 5.35 million tons in 1973 to nearly 6 million tons

January 22, 1975

SECRET

SECRET

last year, contributing to an increase in Cuban export earnings that may reach more than 65 percent. The economy made progress in other areas as well-- particularly in petroleum refining and electric power, and probably in steel production and in the fishing industry.

The availability of substantially more foreign exchange, along with greatly increased economic credits from Western countries, had the effect of increasing Cuba's purchases from non-Communist sources. Recently concluded agreements with France and Spain, as well as earlier credit purchases of Argentina's US-design vehicles, Canadian locomotives and coastal tankers, and Peruvian fishing vessels, have contributed to strengthening Cuba's economic prospects. As a result, Havana's economic dependence on the Soviet Union has diminished somewhat.

Improvement in Cuba's financial situation has enabled the government to prepare with new confidence for the first five-year plan, which will begin in 1976. The plan will emphasize the development of industry, agriculture, and infrastructure while largely holding in check internal consumption.

25X1

January 22, 1975

SECRET



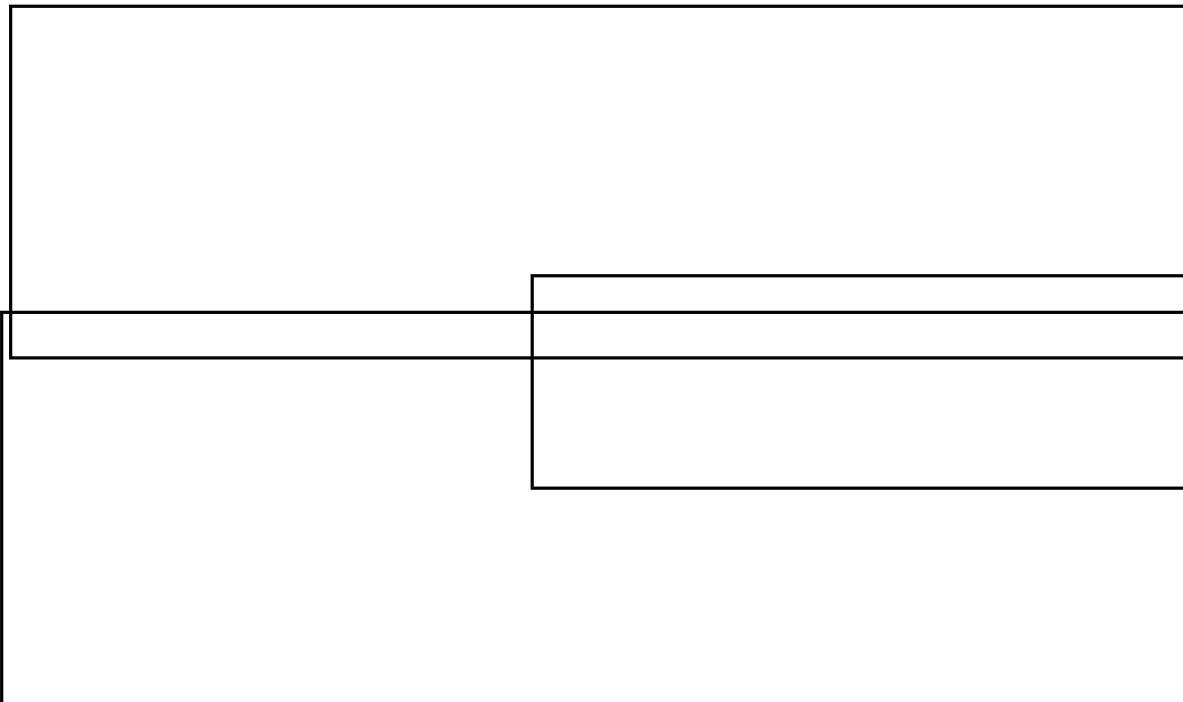
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25X1

Cuba Renews Interest in Western Tourism

In recent weeks, Cuba has stepped up efforts to encourage Western tourism. Representatives of the Castro government attended the First Special Conference of Tourism in the Caribbean, held in Caracas from January 9 to 11. Delegates from 18 other Caribbean governments were also present. This is the first time since Castro came to power that Cuba has participated formally in a conference of this nature.



25X1

25X1

25X1

According to recent estimates of the Cuban tourist institute (INIT), accommodations will be ready for a maximum of 250,000 tourists by 1978, though the government's goal is 600,000 a year by that time. Canada now

January 22, 1975

SECRET

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provides the largest number of tourists to Cuba from any non-Communist country; most arrive on charter flights. During the present winter season, as many as 12,000 reportedly are expected. The Cuban government hoped to attract 100,000 tourists in 1974, about half of which presumably would come from non-Communist countries.

The prospect of opening Cuba to North American--especially US--tourists, is a cause of concern to some Cuban leaders, nevertheless. Raul Castro went on record in 1972 against what he termed "ideological diversionism," in a speech highly critical of US cultural and ideological influences in Cuba. The leadership may still be worried that a large influx of tourists from the US could "contaminate" the Revolution with "bourgeois materialism," and Carlos Rafael Rodriguez reportedly said last November that considerable ideological work is still necessary to prevent this. Largely because of these fears, the government can be expected to continue to limit the freedom of movement of tourist groups visiting the island.

\* \* \* \* \*

Revival of the Cuban tourist industry with an emphasis on attracting North American visitors could have a significant impact on Bahamian tourism, which began to flourish following the closing of Cuba to North American tourists in the early 1960s. Some months ago, Bahamian Prime Minister Pindling warned that Cuba soon would compete with the Bahamas for tourists. However, Bahamian Minister of Development Alfred Maycock, in what appeared to be a spirit of

January 22, 1975

~~SECRET~~

~~SECRET~~

misplaced confidence, recently tried to play down Bahamian concern, claiming that it probably would be 10 to 20 years before Cuba would be able to lure large numbers of American tourists to its shores.

By 1969 tourism accounted for probably two thirds of the GNP of the Bahamas. The US usually contributed 85 to 90 percent of the tourists to the Bahamas throughout the 1960s, but this figure has dropped since 1970. A siphoning off to Cuba of the Bahamian tourist industry therefore could possibly cloud relations between the two countries.

25X1

January 22, 1975

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SECRET

25X1

Argentina: President Peron Takes a Rest

President Maria Estela de Peron is governing Argentina from Chapadmalal, a tourist resort located more than 200 miles south of Buenos Aires. Official sources have announced that she is taking a rest in the area, which is close to the Atlantic beach playground of Mar del Plata. Mrs. Peron has frequently spent the weekend here with a small group of close friends to escape the pressures of official duties.

This time, however, press sources claim that she intends to remain out of the capital during the summer months and handle official business from Chapadmalal. It was announced recently that communications facilities with Buenos Aires have been improved for this reason, and other physical arrangements apparently have been made to allow use of the resort residence as a temporary headquarters.

Despite rumors that Mrs. Peron has taken refuge at the seashore because of health problems, there is no evidence to support this. On the contrary, the press reports that she makes almost daily visits to the city of Mar del Plata.

25X1

Key presidential adviser Jose Lopez Rega accompanied her to Chapadmalal, but he may be commuting between there and the capital to handle pressing government matters for her.

As usual, Mrs. Peron's activities are veiled in secrecy and the Argentine public is left guessing about how its government is functioning. The President's

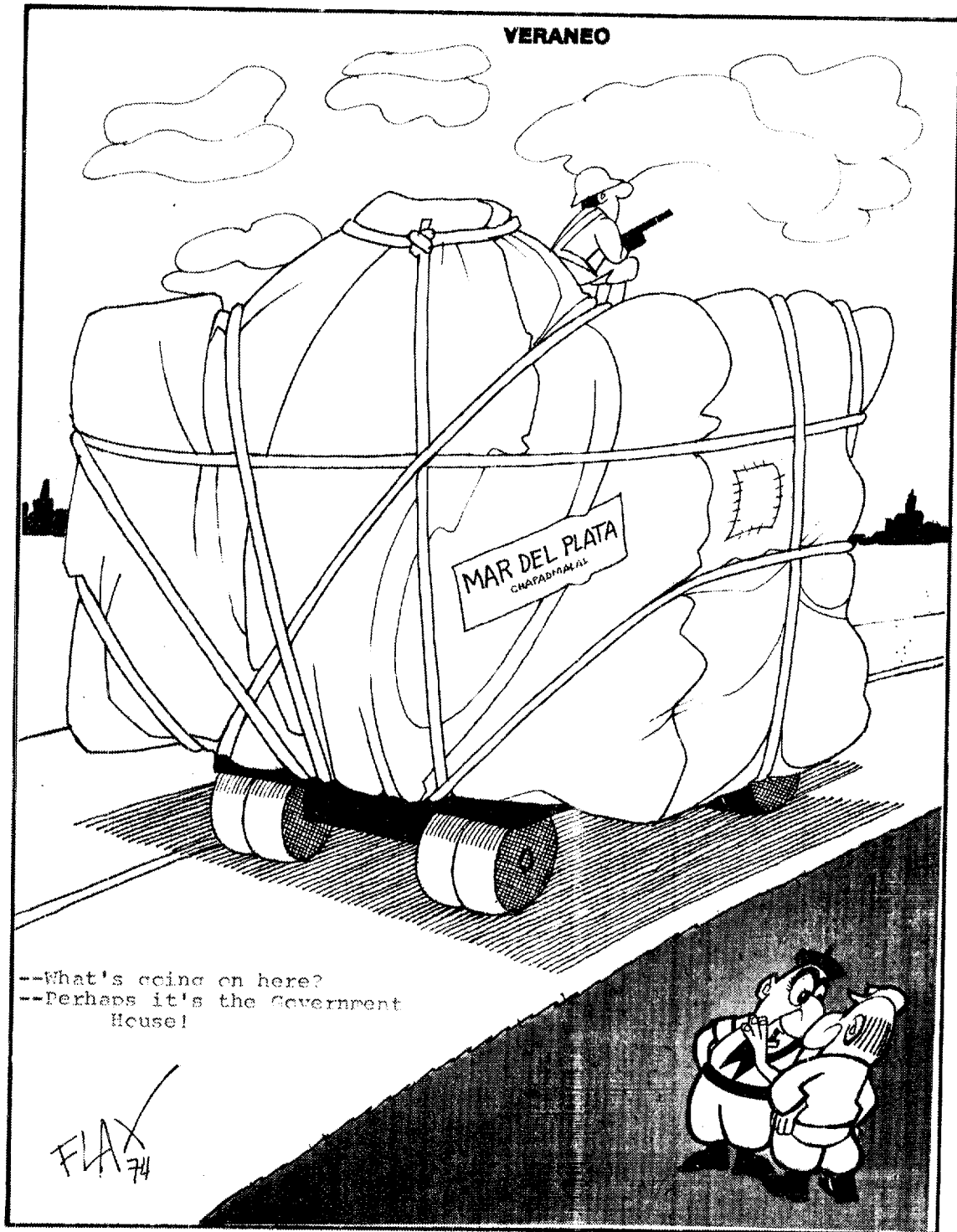
January 22, 1975

SECRET

absence will probably spur renewed speculation about how well she is holding up in the job. More important, the present arrangement may cause some skeptics to wonder if Lopez Rega isn't running the government altogether.

25X1

January 22, 1975



25X1

Argentina: Political Turmoil in the Provinces

A long-simmering dispute in Santa Fe Province may provoke yet another federal takeover and embroil the Peronists in further clashes among themselves and with the opposition parties. Right-wing or "orthodox" Peronists have been using federal intervention as a weapon to depose elected governors who have fallen into disfavor with the local labor union establishment because they are not "doctrinally pure"--a euphemism applied to those considered to the left of the ruling Peronist faction. Five provincial governors have fallen in this fashion and several more appear to be prime candidates.

In Santa Fe, Governor Carlos Sylvestre Begnis is being strongly attacked by his vice governor, who is a leader and spokesman of the provincial orthodox trade union movement. Begnis is the only governor elected in May 1973 who is not a Peronist, and party hard-liners have been seeking his political demise for some time. The Buenos Aires Herald reports that the vice governor seems to be getting "quiet encouragement from somewhere" to pursue the campaign against Begnis. That encouragement is probably coming from Buenos Aires, and the most likely sources would be high-level labor leaders and President Peron's key adviser, Jose Lopez Rega. Lopez Rega stands to gain politically from shifting provincial control to party right-wingers.

The issue of federal intervention has already stirred loud criticism from opposition parties, which appear to be taking a more outspoken stand against Mrs. Peron's government. The major opposition party, the Radical Civic Union, has bitterly condemned the government's decision on January 18 to intervene Misiones

January 22, 1975

SECRET

Province, which has been administered on an interim basis since the death of the governor in December 1973.

Placing Misiones under federal control raises some serious questions about the government's motives. Local elections have been scheduled for April and critics are suggesting that the government wants a tight grip over the executive, judicial, and legislative sectors to control the outcome. Other opponents believe the action was instigated to settle a dispute within the Peronist party. Demands by Peronist labor for more power and influence may be one reason for possible contention within the party hierarchy.

The trend toward unseating officials who do not conform ideologically with the government leadership in the capital will have serious repercussions on Mrs. Peron's relations with the opposition. One opposition leader has charged that the government has lost its balance and that it is only a matter of time before other provinces are toppled on some "childish pretext."

In addition to the rancor incited among government opponents on this issue, there is still another source of political fallout that may cause problems during 1975 that will have longer range implications for the Peronists. The Buenos Aires Herald sums it up succinctly:

Some people seem to have forgotten that the people voted for a government of national unity. If the government allows the unions to increase their power at the expense of minority groups within the ruling coalition, it will narrow its own power base. As

January 22, 1975

SECRET



SECRET

General Peron would have pointed out, the offensive of the Peronist 62 unions to secure more posts of power and influence is creating anti-bodies. The eventual outcome will be a left-wing front, which will pick up a great many recruits from those alienated by the trade union power brokers and outraged by the orthodox Peronist coupmakers.

25X1

January 22, 1975

SECRET

SECRET

25X1

Trinidad and Tobago: Prime Minister Back on the Road

Prime Minister Eric Williams departed on January 15 on his second trip to the US and the Far East within four months. On the current month-long tour, he will return to the US, Japan, Hong Kong, and China, which he visited last October and November, and will add a stop in Indonesia. Williams will be seeking to obtain additional foreign capital, to expand his country's exports, and to complete diplomatic arrangements he began on the first trip.

Particularly in the US and Japan, the Prime Minister hopes to attract private funds and technology for several projects that are essential to meeting his long-range economic goals of eliminating unemployment and diversifying the economy. He is counting on using Trinidad's abundant petroleum and natural gas resources to stimulate development of the petro-chemical, aluminum, and iron and steel industries.

Williams recently has expressed growing concern that Trinidad's favorable economic position and its role--albeit a very minor one--as a petroleum producer may lead international lending agencies to cut back their aid. While in the US, he may convey this concern personally to agency officials.

In China, he will discuss the implementation of agreements reached during his November visit for the establishment of "functional offices" in Peking and Port of Spain, and for the accreditation of non-resident ambassadors. He will also complete plans for the travel of a Trinidadian trade mission to China. The visit to Indonesia will give him an opportunity to discuss the common problems and opportunities of oil-producing third world countries with a non-Arab member of OPEC.

25X1

January 22, 1975

SECRET

SECRET

25X1

Agrarian Reform in Honduras - At Least on Paper

After years of pricking and prodding by the landless, the Lopez regime finally issued a new agrarian reform law on January 8.

The response of most groups has been muted thus far, with general support by campesino and labor organizations. There has been some specific, but mild, criticism by groups in the private sector.

These reactions are considerably more positive than the furor raised by peasants and landowners over the draft bill Lopez leaked to the press early last year. It allowed landowners no appeal in the case of expropriation and envisioned the establishment of cooperatives rather than individual titling. The new law permits both expropriation appeals and individual titling.

Compared with past legislation, this law provides for some significant changes of agricultural tenure and land utilization, and the provisions for government expropriation are broadened considerably. The principal objectives are to stimulate modern agricultural business, increase production and land utilization, and improve the lot of campesinos by including them in all phases of the agricultural process.

The realization of these goals is a long way off, however. The administrative and legal procedures for expropriation and redistribution are outlined in the law, but will require implementation through additional regulations that will take months to complete. Moreover, General Lopez' apparent lack of commitment to land reform and his inclination to procrastinate will continue to hinder progress.

January 22, 1975

SECRET

SECRET

The government's failure to enforce the numerous reform laws promulgated during the past decade merely aggravated the problems it hoped to resolve. The previous agrarian law, enacted in 1962, empowered the National Agrarian Institute to purchase or expropriate private land for distribution. New settlements on public lands were promoted, but the progress had little impact because of poor administration, limited financial resources, and weak national leadership.

Slightly more than four million acres are potentially arable, but only half of the total was actually under cultivation in 1971. In addition, only about 22 percent of the approximately 180,000 farms--mostly the larger ones--are operated by the owners under clear individual titles, and about 34 percent by ejidatarios--peasants who hold lifetime deeds to national lands. About 11 percent are run by squatters who have no legal title, and the remainder by sharecroppers or under some mixed form of tenancy. [REDACTED]

25X1

January 22, 1975

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